Corporate restructuring accelerates job destruction in Australia

Mike Head
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Corporate restructuring and outsourcing, particularly in the retail, banking and IT sectors, is intensifying a sharp rise in joblessness across Australia, retrenching tens of thousands of workers amid an accelerating cost-of-living crisis.

This week alone, the administrators of the collapsed department store chain David Jones sent redundancy notices to 1,689 workers, mostly retail staff, terminating their employment on December 30—just after the Christmas and Boxing Day sales. That was two days after General Pants, a youth fashion chain, was placed into administration, threatening nearly 500 jobs, mostly of casual workers.

The official unemployment rate jumped to 4.9 percent in October, up from 4.7 percent in September in seasonally adjusted terms, and from 4.3 percent a year ago. According to the Australian Bureau of Statistics (ABS), the number of unemployed workers rose above three quarters of a million, to 753,700, for the first time since March 2021. The total was up by 95,400 or 14.5 percent, over the past year.

Young workers were among the hardest hit, with youth unemployment (15–24 years) rising to 11.3 percent, up from 11.1 percent a month earlier.

Retrenchment data released alongside the headline statistics revealed that about 65,700 people were made redundant in September. That took the total of redundancies in three months to 174,100.

Even these figures are a vast underestimate, firstly because the ABS only counts as unemployed those classified as actively seeking work and who have not worked more than an hour a week, and secondly because retrenchments have since accelerated.

Thousands of redundancies at ANZ bank (3,500 and 1,000 contractors), National Australia Bank (2,500), Commonwealth Bank (1,000), Qantas (850) and hundreds of others, such as by the Canva software company and the Bunnings hardware chain, will add to the official job loss tally over coming months.

Already, the Roy Morgan polling company estimates that in October, Australia's "real unemployment" increased from 10.6 percent to 11.3 percent (up 117,000 to 1,784,000 workers). By its measure, underemployment (those employed but wanting more work) also increased 0.9 points to 9.7 percent, up 154,000 to 1.53 million. Altogether, that meant a total of 3.31 million workers, or 21 percent of the workforce, were either unemployed or under-employed in October.

Major corporations are escalating sackings, often using AI, automation, outsourcing and offshoring to slash labour costs and intensify the exploitation of the remaining workforce, including growing layers of white collar workers.

This is compounding the recessionary impact of five interest rate rises this year by the Reserve Bank of Australia (RBA). This is a deliberate bid by the central bank to drive up unemployment to further suppress real wages and curb the global inflation surge produced by the criminal US war on Iran.

In September, RBA governor Michele Bullock declared that increased unemployment was necessary to "take enough heat out of the labour market"—that is to drive down real wages further—to ease pressure on inflation.

In its most recent forecasts, the RBA expected unemployment to keep rising for the next two years, hitting 5.1 percent by the end of 2028.

The latest estimates show that unemployment is increasing even faster. This week, Taylor Nugent, a senior economist at National Australia Bank said it had been expecting unemployment to reach around 5.5 percent by the end of next year. But the latest data "does suggest that it's playing out a bit faster."

Under the impact of AI, following similar trends in the US and internationally, job losses are more and more

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affecting IT, administration and other white-collar workers, following the cuts previously announced by Australian-based companies such as WiseTech (1,700) and Atlassian (1,600).

Alongside massive cash profits announced by Australia's big four banks this month—combined net profit after tax of $31.2 billion in 2025-26—the *Australian Financial Review* reported that the banks are offshoring thousands of jobs, particularly to India and Vietnam, where a lot of automation is taking place and wages are much lower.

The newspaper estimated that the four banks now have more than 20,000 staff in India, where the National Australia Bank's average salary was about $40,000 a year, roughly half the Australian average.

Other firms, including Macquarie bank, Qantas, Telstra, Coles and Origin Energy, were outsourcing jobs to contractors such as Accenture, which has tens of thousands employed in centres in India and Philippines.

The latest 0.25 percentage point increase this month brought the central bank's cash rate to 4.85 percent, fuelling fears of a recession. The latest data is a blow to the Labor government's claims to have kept unemployment relatively low compared to other countries. The official ABS jobless rate was 3.5 percent in June 2022, soon after Prime Minister Anthony Albanese's government took office.

While paying lip service to the pressure on households, Treasurer Jim Chalmers this week tried to play down the rising job losses, saying it was "unsurprising to see unemployment tick up." He referred to "higher interest rates and the challenges coming at us from around the world."

In reality, the Labor government backs the RBA's offensive to further suppress real wages, with the latest statistics showing an average 5 percent fall compared to prices since 2021.

Moreover, the Albanese government and its state counterparts are playing an active part in the job destruction. Labor's May budget foreshadowed the elimination of around 28,000 federal public sector positions over four years, with departments imposing hiring restrictions and pushing workers into supposedly "voluntary" redundancies.

Jobs and essential social programs such as public health, education, aged care and disability services are being cut, and acute staffing shortages are being continued, while hundreds of billions of dollars are being committed to preparations for war, including the AUKUS pact and against China.

Labor and the trade union apparatuses are enforcing sub-inflationary pay deals, including in the schools, universities and other public sector workplaces.

Far from fighting job losses, the trade unions are also facilitating and suppressing opposition to them, claiming instead they will try to help their members find other jobs. The unions are implementing AI via restructuring consultation processes, such as January's framework agreement between the Australian Council of Trade Unions (ACTU) and Microsoft.

The cause of rising unemployment is not AI technology itself, but its control by the corporate oligarchy. Augmented intelligence and automation technologies have vast potential to advance humanity's scientific understanding and lift living standards globally, while reducing the burden of labour.

Under capitalism, however, every technological advance is used to eliminate jobs, increase workloads and enrich the wealthy elites. The Labor and union policing of this offensive poses the necessity for workers to politically break out of this straitjacket, and establish their own independent rank-and-file committees guided by a totally opposed socialist perspective, together with their fellow workers throughout Asia and internationally.

That is the struggle for a workers' government that places the banks and major corporations under public ownership and democratic workers' control as part of the complete socialist reorganisation of economic and social life.

This is the program being fought for by the Socialist Equality Party. In the November 28 Victorian state election, the SEP is standing Morgan Peach and Peter Byrne in the Northern Metropolitan Region on a socialist and internationalist program against austerity and war.

Join the SEP's final election meeting this Sunday, November 22, at 2:30 p.m. AEDT, at the Djerring Flemington Hub in Melbourne or via Zoom. Register here.

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